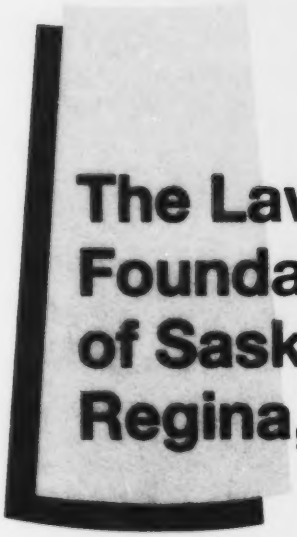
TWENTY-SEVENTH
ANNUAL REPORT

2000

(Fiscal Year ended June 30th)



The Law Foundation of Saskatchewan
Regina, Sask.

THE LAW FOUNDATION

The Law Foundation of Saskatchewan
27th Annual Report for the Year Ended June 30th, 2000
to the Honourable Minister of Justice of Saskatchewan
and to the Law Society of Saskatchewan,
pursuant to Section 79 of The Legal Profession Act,
1990, and Amendments thereto

During its 27 years of operation, the Foundation has received income exceeding $37,000,000 from interest on funds in lawyers' mixed trust accounts and its investments. Except for administration costs and funds held in the Grant Stabilization Reserve and Unallocated Revenue, all of that money has been expended on the Foundation's statutory purposes of legal education, legal research, legal aid, law libraries, and law reform. Most of the funds were spent in Saskatchewan except for projects national in nature and usually supported by other Canadian Law Foundations. Some projects were funded on a once-only basis such as the No Fault Insurance Committee, Peaceful Schools - PLEA and Limitations Manual re-edit. Others are of an on-going nature such as Law Society Libraries, Public Legal Education Association, Saskatchewan Legal Education Society, College of Law Endowment Fund, Native Law Centre, and the Centre for studies in Agriculture, Law and the Environment, University of Saskatchewan.

In the past, most financial institutions paid interest to the Foundation calculated at the prime rate less 4½%, however, at the end of the 30th June 1999 year, the Foundation renewed negotiations with the financial institutions and now the rate has improved to approximately prime less 3¼%. The prime is presently at 7½%. The Foundation received income of $3,000,000 from mixed trust accounts in 1999/2000, compared to $2,300,000 in 1998/99. The increased revenue is due to improved terms with financial institutions, a higher prime rate and increased economic activity through lawyers' mixed trust accounts.

For the year ended 30th June 2000, the Foundation paid out $1,894,000 in grants. Grants authorized and unpaid at the end of the year totalled $1,249,000 (Schedule "1"). The Grant Stabilization Reserve increased to $5,000,000 and the Unallocated Revenue balance was $211,965. The day-to-day operations of the Foundation are handled by the Secretary, Mr. H. Robert Arscott, F.C.A., of Regina.

The Foundation authorized the following grants for the year ended 30th June 2000:

Law Libraries	$ 680,000
Public Legal Education Association	352,044
Centre for Studies in Agriculture, Law and the Environment	250,000
Queen's Bench Family Law Revision	96,900
College of Law, Endowment Fund	75,000
Saskatchewan Legal Education Society	73,708
PLEA - Peaceful Schools	70,000
College of Law - Alternate Dispute Resolution	63,770
Native Law Centre - University of Saskatchewan	59,800
Elizabeth Fry Society - Court Worker Program	38,000
Law Society - Access to Justice Co-ordinator	30,000
Law Society - "History"	27,250
Saskatoon Mediation Centre, Peer Mediation & Staff Training	15,000
Canadian Forum on Civil Justice	14,780
Saskatoon Sexual Assault Centre	10,500
College of Law - "History"	10,000
National Conference - Provincial Courts	8,000
Saskatchewan Elocution & Debate Association	5,000
Salvation Army – Regina	4,000
West Coast LEAF Association	3,500
Law Day - 2000	3,000
CBA - Tort Liability & Compensation Issues in Canada	3,000
Schizophrenia Society of Saskatchewan	1,200
	$1,894,452

Financial Highlights

	2000	1999	1998	1997
Revenue from all sources	$3,258,917	$2,571,080	$1,655,947	$1,003,000
Grants authorized	1,894,452	1,504,436	1,457,203	1,492,000
Administrative expenses	124,186	125,957	107,083	104,200
Grant stabilization reserve	$5,000,000	$3,965,000	$3,025,000	$2,925,000

The Grant Stabilization Reserve allows the Foundation to continue funding its major core grants of approximately $1,250,000 annually without major reductions. The Reserve protects core projects and allows for their orderly management during times of reduced income to the Foundation.

In October 1998, a special committee of the Canadian Law Foundations was formed to discuss a meeting with the Senate Committee on Banking, Trade, and Commerce that was touring Canada and a meeting was arranged in Saskatoon. Mr. Harry Dahlem provided the initiative for this committee but due to a conflict had to withdraw as its Chair and he was replaced by Mr. Tony Friend, Chairperson of the Alberta Law Foundation. A delegation of Mr. Friend and Mr. Snyder of Alberta, Ms. Pat Pitsula of British Columbia, and Mr. Robert Arscott of Saskatchewan appeared before the Committee. On page 262 of the report under task force recommendations (item 98), it states, "Financial institutions should work with the voluntary sector to develop new, innovative partnerships that would help build stronger, healthier, and more caring communities. Leaders in the financial institutions and in the voluntary sector should work together to this end beginning with innovative pilot projects." The Association of Canadian Law Foundations favoured the recommendation under item 98. Overall, however, there was very little evidence presented to the Committee on partnering with the voluntary sector. Although the Canadian Foundations did not receive much print in the report, it is felt that it will have some significant effect on the financial institutions in the future when the Foundations re-negotiate rates and terms, etc. In fact, the conclusion was that the Committee makes no recommendation on the issue of partnerships with the voluntary sector. However, the Committee acknowledges the need for, and the importance of, involvement by financial institutions in the voluntary sector. It is possible the Canadian Foundations may again meet with the Senate Committee to discuss its draft report (800 pages) and comment on the "not for profit sector".

Meetings of the Foundation

The Foundation members meet regularly on a quarterly basis throughout the year. Messrs. Dahlem and Arscott attended the annual meeting of the Canadian Association of Law Foundations held in conjunction with the Canadian Bar Association annual meeting in Halifax in August 2000. At the annual meeting, the Canadian Foundations concern themselves with projects of a national nature and other matters of mutual interest. Representatives of the Saskatchewan Law Foundation continually emphasize the national importance of the Native Law Centre at the University of Saskatchewan and request the continued support of the Canadian Foundations for this worthy project. The Foundation held a planning session meeting on Sunday, 10th September 2000, in order to review its ongoing operations.

The present members of the Foundation are: Mr. Harry Dahlem, Q.C. (Chairperson), Mr. Frank MacBean, Q.C. (Vice-Chairperson), Mr. Gordon Wicijowski, L.L.D, F.C.A. (Treasurer), Dean Beth Bilson, Mr. John Whyte, Q.C., Ms. Ann Phillips, Q.C., Ms. Alma Wiebe, Q.C., and Mr. Robert Arscott, F.C.A. (Secretary). (Mr. Whyte is temporarily absent and his designate is Mr. Rod Crook effective the 10th September 2000.)

ALL OF WHICH IS RESPECTFULLY SUBMITTED.

Dated at Regina, Saskatchewan, this 11th day of October A.D. 2000.

Mr. Harry Dahlem, Q.C.
Chairperson

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AUDITORS' REPORT

To the Members of the
Law Foundation

We have audited the balance sheet of the Law Foundation as at June 30, 2000, and the statements of revenue, expenditures, grants and unallocated revenue for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at June 30, 2000 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte + Touche LLP

Chartered Accountants
Regina, Saskatchewan

October 4, 2000

Deloitte Touche Tohmatsu

LAW FOUNDATION

(Established Under the Legal Profession Act of Saskatchewan)

BALANCE SHEET
30th JUNE 2000

	2000	1999
ASSETS		
Cash	$ 125,286	$ 46,496
Interest receivable from solicitors' trust accounts	396,868	185,205
Investments - cost (Note 1)	5,426,665	4,409,674
Accrued interest on investments	467,129	555,073
Sundry receivables		840
Due from RBC Dominion Securities	53,169	
	$6,469,117	$5,197,288
LIABILITIES, RESERVE AND UNALLOCATED REVENUE		
Accounts payable	$ 8,064	$
Grants payable - Schedule "1" (Note 2)	1,249,088	1,230,113
Grant stabilization reserve (Note 1)	5,000,000	3,965,000
Unallocated revenue	211,965	2,175
	$6,469,117	$5,197,288

On behalf of the Foundation

_____ Chairperson

_____ Treasurer

"See Accompanying Notes"

Deloitte & Touche

LAW FOUNDATION

STATEMENT OF REVENUE, EXPENDITURES, GRANTS AND UNALLOCATED REVENUE
30th JUNE 2000

		2000		1999
REVENUE:				
Interest from lawyer's mixed trust accounts		$2,973,440		$2,297,827
Interest earned on investments		285,477		273,253
		3,258,917		2,571,080
EXPENDITURES:				
Administrative				
Foundation members				
- office overhead	$ 24,500		$ 18,600	
- meetings				
- regular	10,343		6,776	
- special	1,024		5,357	
Office, postage, stationary, telephone, 25th anniversary	19,093		27,900	
Office of the Secretary	65,695		63,793	
Professional fees	3,531		3,531	
		124,186		125,957
EXCESS OF REVENUE OVER EXPENDITURES		3,134,731		2,445,123
GRANTS AUTHORIZED IN THE YEAR - Schedule "2" (Note 2)		(1,894,452)		(1,504,436)
GRANTS RECOVERED		4,511		
EXCESS OF REVENUE OVER EXPENDITURES & GRANTS FOR THE YEAR		1,244,790		940,687
UNALLOCATED REVENUE, BEGINNING OF YEAR		2,175		1,488
		1,246,965		942,175
ALLOCATION TO GRANT STABILIZATION RESERVE		(1,035,000)		(940,000)
UNALLOCATED REVENUE, END OF YEAR		$ 211,965		$ 2,175

"See Accompanying Notes"

Deloitte & Touche

LAW FOUNDATION

SCHEDULE OF GRANTS PAYABLE
30th JUNE 2000

Schedule "1"

Law Libraries	$ 342,000
Centre for Studies in Agriculture, Law and the Environment	250,000
Public Legal Education Association	176,022
PLEA - Peaceful Schools	70,000
College of Law – Alternate Dispute Resolution	63,770
Native Law Centre - University of Saskatchewan	59,800
College of Law - Library Endowment Fund	50,397
Saskatchewan Legal Education Society	36,000
Queen's Bench - -Family Law Revision	35,376
Elizabeth Fry Society - Court Worker Program	28,500
Law Society – "History"	27,250
Law Reform Commission – Special	20,000
Saskatoon Mediation Centre	19,470
Canadian Forum on Civil Justice	14,780
No Fault Insurance Committee (Law Society of Sask)	12,305
College of Law – "History"	10,000
Law Society – Access to Justice Co-ordinator	6,000
Faculty of Social Work - University of Regina	5,000
Queen's Bench Rules Amendments	4,675
Youth Justice in Canada- book	3,625
West Coast LEAF Association	3,500
C.B.A. – Tort Liability & Compensation Issues in Canada	3,000
Law Day – 2000	3,000
Saskatchewan Legal Aid	2,311
Saskatchewan High School - Guidebook	1,507
Law Society Conference	800
	$1,249,088

"See Accompanying Notes"

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LAW FOUNDATION

GRANTS AUTHORIZED
30th JUNE 2000

Schedule "2"

Law Libraries	$ 680,000
Public Legal Education Association	352,044
Centre for Studies in Agriculture, Law and the Environment	250,000
Queen's Bench Family Law Revision	96,900
College of Law, Endowment Fund	75,000
Saskatchewan Legal Education Society	73,708
PLEA - Peaceful Schools	70,000
College of Law – Alternate Dispute Resolution	63,770
Native Law Centre - University of Saskatchewan	59,800
Elizabeth Fry Society - Court Worker Program	38,000
Law Society – Access to Justice Co-ordinator	30,000
Law Society – "History"	27,250
Saskatoon Mediation Centre, Peer Mediation & Staff Training	15,000
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	$1,894,452

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LAW FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
30th JUNE 2000

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles, and reflect the following policies:

Interest

A significant portion of the revenue of the Foundation is interest on accounts of the members of the Law Society of Saskatchewan. The Foundation records such interest as revenue on the accrual basis.

Investments

Interest income is recorded as earned. It is the Foundation's policy to hold all investments to maturity. The fair market value of investments approximates the cost of investments.

Grants

Grants are expensed at the time they are authorized by the Foundation.

Grant Stabilization Reserve

The Reserve is a provision against any revenue reductions in the future as protection for continuing grants. An allocation of $1,035,000 was made at 30th June 2000 from the general fund, increasing the balance to $5,000,000.

2. GRANTS PAYABLE

	2000
Grants payable, beginning of year	$1,230,113
Add: Grants authorized - Schedule "2"	1,894,452
	3,124,565
Deduct: Grants paid	1,870,966
Grants recovered	4,511
Grants payable, end of year - Schedule "1"	$1,249,088

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